

**MINUTES OF THE
MARICOPA ASSOCIATION OF GOVERNMENTS
REGIONAL COUNCIL MEETING**

August 22, 2007
MAG Office, Saguaro Room
Phoenix, Arizona

MEMBERS ATTENDING

Mayor James M. Cavanaugh, Goodyear, Chair	Mayor Thomas Schoaf, Litchfield Park
Mayor Mary Manross, Scottsdale, Vice Chair	Supervisor Don Stapley, Maricopa County
Councilmember Robin Barker, Apache Junction	Mayor Keno Hawker, Mesa
Mayor Marie Lopez Rogers, Avondale	Mayor Ed Winkler, Paradise Valley
Mayor Bobby Bryant, Buckeye	Mayor Bob Barrett, Peoria
* Mayor Wayne Fulcher, Carefree	Councilmember Peggy Neely, Phoenix
Councilmember Dick Esser, Cave Creek	Mayor Art Sanders, Queen Creek
Mayor Boyd Dunn, Chandler	Vice President Martin Harvier for President
Mayor Fred Waterman, El Mirage	Diane Enos, Salt River Pima-Maricopa
* President Raphael Bear, Fort McDowell	Indian Community
Yavapai Nation	Mayor Joan Shafer, Surprise
Councilmember Ginny Dickey for Mayor Wally	# Mayor Hugh Hallman, Tempe
Nichols, Fountain Hills	Mayor Adolfo Gamez, Tolleson
# Mayor Fred Hull, Gila Bend	Mayor Ron Badowski, Wickenburg
* Governor William Rhodes, Gila River Indian	Mayor Michael LeVault, Youngtown
Community	* Joe Lane, State Transportation Board
* Mayor Steven Berman, Gilbert	* Felipe Zubia, State Transportation Board
Mayor Elaine Scruggs, Glendale	# F. Rockne Arnett, Citizens Transportation
* Mayor Bernadette Jimenez, Guadalupe	Oversight Committee

* Those members neither present nor represented by proxy.

Attended by telephone conference call.

+ Attended by videoconference call.

1. **Call to Order**

The meeting of the MAG Regional Council was called to order by Chair James M. Cavanaugh at 5:05 p.m.

2. **Pledge of Allegiance**

The Pledge of Allegiance was recited.

Chair Cavanaugh noted those participating by teleconference: Councilmember Robin Barker, Mayor Fred Hull, Mayor Art Sanders, and Mayor Hugh Hallman. He noted that Vice President Martin Harvier was proxy for President Diane Enos and Councilmember Gail Dickey was proxy for Mayor Wally Nichols.

Chair Cavanaugh noted materials at each place: for agenda items #5B and #5D, a memorandum reporting the unanimous recommendations on these items by the Transportation Policy Committee; for agenda item #5H, the addendum to the agenda; for agenda item #6, a revised summary transmittal and supplemental material; for agenda item #7, the memorandum by MAG General Counsel. Chair Cavanaugh noted that agenda item #8 was removed from the agenda and will be heard at a later meeting of the Regional Council. He stated that parking validation and transit tickets were available from MAG staff.

4. Call to the Audience

Chair Cavanaugh noted that, according to MAG's public comment process, members of the audience who wish to speak are requested to fill out public comment cards. The opportunity for public comment is provided to members of the public to address the Regional Council on items not scheduled on the agenda that fall under the jurisdiction of MAG, or on items on the agenda for discussion but not for action. Citizens are requested not to exceed a three minute time period for their comments. A total of 15 minutes is provided for the Call to the Audience agenda item, unless the Regional Council requests an exception to this limit. Those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard.

Chair Cavanaugh recognized public comment from Chuck Ullman, Vice President of PORA at Sun City West. Mr. Ullman commented on the August 15, 2007, *Arizona Republic* article on the proposed slowdown on construction projects by the Maricopa County Department of Transportation. He stated that improvements on Bell Road from El Mirage Road to Loop 303 are needed desperately, due to the increase in population. Mr. Ullman stated that relief is needed and he requested that the Regional Council consider funding improvements. Chair Cavanaugh thanked Mr. Ullman for his comments.

Chair Cavanaugh recognized public comment from Dianne Barker, who commented on the meaningful input on the I-10 acceleration at the August 13th Executive Committee meeting. She suggested that members consider transit. Ms. Barker stated that innovations to move people rapidly are needed. She encouraged issuing Requests for Proposals for improvements to reach as many as possible. Ms. Barker stated that, as a citizen, she is a stakeholder. Chair Cavanaugh thanked Ms. Barker for her comments.

Chair Cavanaugh recognized public comment from Joseph Ryan, who said he has lived in the Valley for 15 years and traffic jams are worsening. He added that he had not seen a policy to eliminate them. Mr. Ryan stated that the half-cent sales tax badly underfunds needs. Projects are not done. Interchanges are built too small, which result in accidents and bad air quality. Mr. Ryan stated that this 20-year program is more underfunded than the last program. He said that 30 percent was taken from highways for the trolley. Mr. Ryan stated that the Regional Council was considering minutiae today when solutions are needed to get traffic off the roads. He said that the Regional Council will not put this on the agenda, pass issues unanimously, and deal with chump change. Mr. Ryan stated that it is illegal to

charge cities anything because the traffic flows throughout the region. Chair Cavanaugh thanked Mr. Ryan for his comments.

Chair Cavanaugh recognized public comment from Woody Thomas, who stated that the Bring Back Blue air quality education campaign was not as successful as hoped. He noted that the target audience was automotive vehicles, but construction and rock and gravel permits cause the most PM-10 pollution. Mr. Thomas expressed that he was disappointed in the recent Regional Council decision on PM-10 measures. He commented on the recent article on the safety of rail crossings. Mr. Thomas stated that grade-separated crossings increase efficiency and safety, and the Governor's office and others are pursuing solutions. Chair Cavanaugh thanked Mr. Thomas for his comments.

4. Executive Director's Report

Dennis Smith, MAG Executive Director, reported on the status of the Regional Office Center. Mr. Smith noted that a design build Request for Proposals was published, with Statements of Qualifications due on August 30, 2007. Mr. Smith stated that another Request for Proposals was published for underwriter services. Responses are due on August 31st. He noted that the Executive Committee would be considering the selections at its September meeting.

Chair Cavanaugh thanked Mr. Smith for his report. No questions from the Council were noted.

5. Approval of Consent Agenda

Chair Cavanaugh noted that agenda items #5A through #5H were on the consent agenda. He noted that a request was received to remove agenda item #5G, Regional Support for Low Demand Homeless Overflow Shelter, and delay it to next month's Regional Council meeting.

Chair Cavanaugh recognized public comment from Joseph Ryan, who said that it was illegal to limit his time for public comment. Mr. Ryan stated that eastbound traffic on I-10 backs up to Loop 101, so he will exit and use the back roads, which are not all through-roads. He stated that he worked as a transportation planner, and advised that per passenger costs are reduced by vehicles going faster, using less fuel, carrying more passengers, and being convenient. Mr. Ryan stated that commuter rail is very expensive. He commented that the trolley environmental impact statement was untruthful, because the trolley will increase air quality problems. Mr. Ryan also commented that the red light activations needed because of the trolley will negate ITS and create congestion. Chair Cavanaugh thanked Mr. Ryan for his comments.

Chair Cavanaugh asked members if they had any questions or any requests to hear an item individually. Mayor Schoaf stated that he had questions on agenda item #5B, Requested Material Change to Purchase the Mesa Transit Operations and Maintenance Facility and Amend the MAG Regional Transportation Plan and FY 2008 to 2012 Transportation Improvement Program.

Mayor Schoaf commented that no backup material on agenda item #5B had been included in the agenda packet. Eric Anderson, MAG Transportation Director, stated that the detail, which included meeting minutes and a detail of the options considered, had been unintentionally omitted from the agenda packet. Mayor Schoaf asked if an analysis of options had been considered. Mr. Anderson replied that the RPTA

Board had considered three options. The first option was leasing the facility, which involved an increase in rent. The second option was purchasing the facility, which was the Board's recommendation. The third option was also for the purchase of the facility, but used a different financing method. Mr. Anderson stated that Option 2 was chosen because it was the most cost effective. Mayor Schoaf asked if a financial analysis was done to support that decision. Mr. Anderson replied that the RPTA analysis included detailed financial spreadsheets, and MAG had only summary information.

Mayor Schoaf asked if this was a regional facility. Mr. Anderson replied that it was and explained that it is located in the City of Mesa and serves as a garage and maintenance facility for all of the East Valley buses. Mayor Schoaf asked if this was the only place the building could be located. Mr. Anderson responded that the building already exists and was built three or four years ago as a lease arrangement with Mesa. Mr. Anderson explained that it was built pre-Proposition 400, and because funds were short, RPTA leased the facility. Mr. Anderson noted that with Proposition 400 providing long term funding and a need for long term service, RPTA determined it made more sense to acquire the building, which was purchased below market price. Mayor Schoaf asked if an appraisal had been done. Mr. Anderson replied that he was unsure if an appraisal had been done. He advised that appraisals are difficult on public facilities due to the unique use, but since it was built, costs have risen 30 percent to 40 percent. He added that he was familiar with a building located nearby, the price of which has increased by 40 percent since 2004. Mr. Anderson noted that it would cost more than \$9.2 million to build the facility today.

Mayor Schoaf asked if other sites had been considered. Mr. Anderson replied that through a site selection process, the facility was located at Greenfield Road, a half mile south of Loop 202, which is an excellent regional location for bus access. RPTA staff present at the meeting communicated that an appraisal had been done which put a value of \$31 million on the building, for which RPTA would be paying \$9.2 million. Mayor Schoaf stated that it sounded like a good deal and requested that a copy of the analysis be sent to his office.

With no further discussion of the consent agenda, Chair Cavanaugh called for a motion, noting that agenda item #5G had been removed. Supervisor Stapley moved to approve consent agenda items #5A, #5B, #5C, #5D, #5E, #5F, and #5H. Councilmember Neely seconded, and the motion passed, with Councilmember Dickey abstaining.

5A. Approval of the July 25, 2007 Meeting Minutes

The Regional Council, by consent, approved the July 25, 2007 meeting minutes.

5B. Requested Material Change to Purchase the Mesa Transit Operations and Maintenance Facility and Amend the MAG Regional Transportation Plan and FY 2008 to 2012 Transportation Improvement Program

The Regional Council, by consent, approved the purchase of the Mesa Transit Operations and Maintenance Facility and to amend the MAG Regional Transportation Plan and FY 2008 to 2012 Transportation Improvement Program to include the project. According to A.R.S. 28-6353, MAG has the responsibility to approve material changes for projects funded from the Proposition 400 sales tax.

The Regional Public Transportation Authority has requested approval of a material cost change for the purchase of the City of Mesa Transit Operations and Maintenance Facility. The RPTA Board of Directors approved the purchase of the facility for \$9,269,199, which represents Mesa's local investment in the facility. The Management Committee and the Transportation Policy Committee recommended approval.

5C. Consultant Selection for Safety Evaluation of the Elderly Mobility Sign Project

The Regional Council, by consent, approved the selection of Arizona State University for performing the Safety Evaluation of the Elderly Mobility Sign Project for an amount not to exceed \$15,000. The MAG Transportation Safety Committee and the MAG Elderly Mobility Stakeholders Group recently launched a regional road safety project that will result in the installation of street name signs with larger letter sizes, using a font that is more legible to road users. The two committees also recommended a project to evaluate the overall safety effectiveness of these signs. MAG released a Request for Proposals on June 4, 2007, for this purpose. One proposal was received from Arizona State University. A proposal review panel evaluated the proposal and recommended to MAG the selection of Arizona State University. The Management Committee recommended approval of the selection.

5D. Requested Changes to the ADOT Program

The Regional Council, by consent, concurred with the proposed changes to the ADOT Program to advance right-of-way acquisition in the SR 801 (I-10 Reliever) corridor, and implement a design-build project on the 202L (Red Mountain Freeway). and to amend the MAG Regional Transportation Plan – FY 2007 Update and the FY 2008-2012 Transportation Improvement Program, as appropriate, contingent on an air quality conformity analysis. The Arizona Department of Transportation (ADOT) has requested MAG concurrence with two proposed changes to FY 2008 of the ADOT Program. These changes would also require amendment of the MAG FY 2008-2012 Transportation Improvement Program (TIP) and Regional Transportation Plan (RTP), as appropriate. The changes involve advance right-of-way acquisition in the SR 801 (I-10 Reliever) corridor, and implementation of a design-build project on the 202L (Red Mountain Freeway). The SR 801 (I-10 Reliever) request is to increase funding from \$3,000,000 to \$15,000,000 for right-of-way protection in FY 2008, for future freeway construction in the corridor. The 202L (Red Mountain Freeway) request would implement a \$184,060,000 design-build project to be initiated in fiscal year 2008. Funding would be provided from six previously programmed projects for the Red Mountain Freeway, which had been scheduled for fiscal years 2008-2011. MAG has reviewed the proposed program changes and has determined that they are reasonable, will benefit the overall implementation of the RTP Freeway Program, and can be accomplished within available ADOT cash flows. The Management Committee and the Transportation Policy Committee recommended approval.

5E. Conformity Consultation

The Maricopa Association of Governments is conducting consultation on a conformity assessment for an amendment to the FY 2008-2012 MAG Transportation Improvement Program and Regional Transportation Plan - 2007 Update. The proposed amendment includes minor project revisions to Arizona Department of Transportation projects for right-of-way acquisition in the SR 801 (Interstate-10

Reliever) corridor, and implementation of a design-build project on Loop 202 Red Mountain Freeway. Minor project revisions do not require a conformity determination. Comments on the conformity assessment were requested by August 17, 2007. This item was on the agenda for consultation.

5F. Consultant Contract for AZ-SMART Support

The Regional Council, by consent, approved the selection of Planning Technologies for AZ-SMART support for an amount not to exceed \$40,000. The FY 2008 MAG Unified Planning Work Program and Annual Budget, approved by the Regional Council in May 2007, includes a \$40,000 project for AZ-SMART support. MAG is in the process of developing a statewide socioeconomic model, Arizona Socioeconomic Modeling, Analysis and Reporting Toolbox (AZ-SMART). The AZ-SMART socioeconomic modeling suite will primarily support socioeconomic activities at MAG. AZ-SMART will build upon a model that MAG currently uses, the Subarea Allocation Model (SAM). This model was developed by Planning Technologies. Since Planning Technologies is the developer of SAM, it is uniquely able to provide detailed technical guidance and support on the implementation and testing for AZ-SMART. The Management Committee recommended approval.

5H. Ratification of an Appointment of a Member to Fill the Unexpired Portion of the Geographic Balance Seat on the Transportation Policy Committee

The Regional Council, by consent, ratified the appointment of Mayor Joan Shafer, Surprise, to fill the unexpired portion of the geographic balance seat, two-year term (June 2008), on the Transportation Policy Committee. At the July 25, 2007 Regional Council meeting, the appointment of a member to fill the vacant geographic balance seat was discussed. At the meeting, staff was directed to have the MAG General Counsel provide direction on how to proceed with filling the vacant seat. A memorandum on this has been provided to the members of the Regional Council. To fill the unexpired portion of the two-year term (June 2008), the West Valley Mayors provided the name of Mayor Joan Shafer, from the City of Surprise.

5G. Regional Support for Low Demand Homeless Overflow Shelter

This item was removed from the consent agenda and tabled until next meeting.

At the June MAG Management Committee meeting, there was discussion about regional support for the low demand homeless shelter operated by Central Arizona Shelter Services. Since then, municipalities have come forward to offer support. The Management Committee requested the MAG Continuum of Care Regional Committee on Homelessness address the low demand shelter. The Continuum of Care and the Management Committee recommended a resolution supporting the shelter.

6. Statewide Transportation Acceleration Needs (STAN) II Account

Chair Cavanaugh stated that the Council would hear Mr. Anderson's presentation, and requested that they ask questions as he proceeded to ensure there was understanding of the numbers. Chair Cavanaugh stated that in deference to the Legislature and the recommendations by the Management Committee and Transportation Policy Committee, he thought it appropriate that the first motion be the recommended motion to approve interest reimbursement up to \$10 million. Following a motion, the Regional Council

would discuss the motion and then take a vote. Chair Cavanaugh stated that the action taken would dictate further Regional Council action and discussion.

Mr. Ryan spoke from the audience about his opportunity for public comment. Chair Cavanaugh informed Mr. Ryan that he would hear public comment after the presentation.

Eric Anderson, MAG Transportation Director, reported that House Bill 2793 transferred \$62 million from the State Highway Fund to the State Transportation Acceleration Needs (STAN) account. Mr. Anderson noted that these funds are not new money, and were programmed in the ADOT five year plan. The legislation also established a subaccount for the reimbursement of interest expenses incurred by or on behalf of a local jurisdiction for the acceleration of transportation projects. Mr. Anderson stated that for this subaccount \$10 million was allocated from the \$62 million STAN appropriation. Mr. Anderson noted that HB 2793 also established a \$10 million roads of regional significance (RRS) congestion mitigation subaccount for transportation projects in high growth areas. He added that the RRS is a loan fund that would need to be repaid by 2012.

Mr. Anderson advised that state law requires that the regional planning agency establish a process for the review and approval of the reimbursement of interest costs from the STAN account. As part of the process MAG would recommend to the State Transportation Board projects to utilize the STAN funds. MAG would also need to provide a report to the Arizona House and Senate by December 15, 2007.

Mr. Anderson explained that the \$10 million for the roads of regional significance congestion mitigation subaccount is deducted from the \$62 million STAN fund, leaving \$52 million. He noted that MAG's allocation of the STAN fund is 60 percent of the \$52 million, which is approximately \$31.2 million.

Mr. Anderson then addressed the interest reimbursement subaccount. He said that \$10 million was appropriated statewide. The law says that interest costs incurred for the acceleration of transportation projects, which must be on a state highway system, may be reimbursed. Mr. Anderson stated that interest costs must result from bonds, loans, or advances; the agreement to accelerate must include at least two local jurisdictions, ADOT, and the regional planning agency; the agreement must be entered into after January 1, 2007; and the project must be in the region's Regional Transportation Plan. Mr. Anderson stated that a process must be established and a recommendation made to the State Transportation Board. He noted that funds received from the subaccount would count toward a region's share of STAN.

Mr. Anderson stated that the acceleration of the widening of I-10 from Loop 101 to just east of Sarival Road was approved by the Regional Council in 2006. He then reviewed the interest costs, according to the MAG acceleration policy, of which approximately \$14.5 million is the program share and approximately \$9.7 million is the local share to be borne by the cities of Avondale, Goodyear, and Litchfield Park.

Mr. Anderson reviewed options for full interest reimbursement, for no interest reimbursement, or for partial reimbursement. He pointed out two sheets at each place, one on yellow paper and one on blue paper. The yellow sheet showed three scenarios:

Scenario #1. The original acceleration interest cost total of \$24.172 million with 60 percent (about \$14.503 million) paid back by the program and 40 percent (about \$9.7 million) paid by the local agencies, with no reimbursement by STAN funds.

Scenario #2. The construction interest cost with the \$10 million STAN fund applied to the total with \$6 million applied to the program share and \$4 million applied to the local share. He said that the program would pay \$8.5 million and the local jurisdictions would pay \$5.7 million.

Scenario #3. MAG's sixty percent of the STAN fund could be applied to the \$10 million available, meaning \$6 million would be available to reimburse the local communities. Under this scenario, the local share would total \$3.669 million. There is no program benefit from the option, and the remaining \$4 million would be left in the STAN subaccount for other regions in the state to use.

Mr. Anderson noted that the blue sheet had been drafted that afternoon and included additional reimbursement scenarios of 50 percent program/50 percent local, 40 percent program/60 percent local, 30 percent program/70 percent local, and 20 percent program/80 percent local. He noted that these scenarios were not available when the TPC had its meeting on August 20th.

Mr. Anderson reported on questions that have been raised. He said that some have asked why quick action was needed. Mr. Anderson said that there were a couple of reasons. He reported that ADOT has designed the project and is waiting for resolution before advertising the project for bid. Mr. Anderson explained that ADOT must sign a project agreement with the Federal Highway Administration, which includes how the interest is going to be paid. He noted that, in addition, there are major safety issues and congestion on I-10. With only two lanes and significant truck travel, the segment in the Goodyear vicinity experienced about 30 crashes and 15 injuries per month in 2005.

Mr. Anderson stated that one question asked about the legislative intent. He reported that the intent was to allow interest costs related to accelerating a project to be paid from STAN funds. Mr. Anderson noted that Representative John Nelson, one of the legislators who worked on House Bill 2793, spoke at the TPC meeting and clarified that this legislation intended that \$10 million be used for the I-10 widening acceleration in the West Valley and \$10 million be used for roads of regional significance in the East Valley.

Mr. Anderson stated that another question asked if reimbursement of interest conformed to the MAG Highway Acceleration Policy. Mr. Anderson noted that MAG's acceleration policy was adopted in 2000 before STAN was established and the interest reimbursement subaccount was established. He said that the MAG policy provides that the local jurisdictions pay for a portion of the interest expense. Mr. Anderson stated that next month, the Management Committee and TPC will discuss the acceleration policy.

Mr. Anderson stated that another question regarded the impact on the program. He noted that allocation of the \$10 million has no impact on the program, because MAG has programmed \$22.9 million and the STAN II allocation is \$31.2 million. Mr. Anderson added that the \$10 million is a small portion of the overall MAG program.

Mr. Anderson stated that another question asked what projects could be accelerated with the STAN funds. He explained that \$22.9 million of the \$31.2 million is already programmed by ADOT for FY 2008 and the GAN funding already used for the I-10 acceleration leaves limited capacity to advance any significant project. Chair Cavanaugh thanked Mr. Anderson for his presentation.

Mayor Hull stated that he needed to leave the meeting for his Town Council meeting. He stated that he supported payment of the interest reimbursement for the I-10 widening.

Chair Cavanaugh recognized public comment from Mr. Ryan, who stated that this reminded him of the trolley vote propaganda. He asked why interest would be charged to Avondale. Mr. Ryan noted that many trucking terminals and warehouses benefit from I-10 but are not located in Avondale. He asked how Litchfield Park could benefit from the widening because it is not adjacent to the freeway. Mr. Ryan stated that planners need to use common sense. He suggested taking \$10 million in CMAQ funds from the trolley. Chair Cavanaugh thanked Mr. Ryan for his comments.

Chair Cavanaugh recognized public comment from Woody Thomas, who commented on Representative John Nelson's comments at the Transportation Policy Committee meeting on how this situation happened. Mr. Thomas stated that in Proposition 300, a governor decided the state would intervene and the West Valley projects got cut out. Mr. Thomas stated that the West Valley has continued to grow, yet there is only a two-lane highway from California, and this results in a large number of trucks traveling the road. He spoke of how the TPC developed a plan for the region; the only thing not accomplished was timing that made sense. Mr. Thomas stated that safety has deteriorated and the accidents and injuries increase. He stated that this is a federal highway. Mr. Thomas stated that he was Litchfield Park's mayor at the joint meeting when they agreed to agree. He stated that the Legislators asked why three small cities were doing this and then they got involved. He stated that the region benefits from improvements but the three cities are punished. Mr. Thomas said that the March 2000 acceleration policy applies for regional freeways only and not for interstates, with good reason. Chair Cavanaugh thanked Mr. Thomas for his comments.

Mr. Arnett left the meeting.

Chair Cavanaugh stated that there are divergent views and it was imperative that they be expressed in a positive way and when the Regional Council ends the meeting tonight, it is a single MAG. He called for a motion.

Mayor Schoaf moved to approve actual reimbursement costs up to \$10 million incurred by the cities of Avondale, Goodyear, and Litchfield Park to accelerate the widening of I-10 between Loop 101 and Sarival Road, to recommend that the State Transportation Board approve up to \$10 million of STAN funding be allocated for this purpose, and to authorize the MAG Executive Director to enter into an agreement with ADOT and the participating cities for this I-10 acceleration project, all in accordance with the provisions of House Bill 2793. Mayor Shafer seconded.

Mayor Schoaf stated that his comments on this issue were included in the minutes of the August Executive Committee meeting, but would like to point out that as a new mayor he was curious how MAG operated. He said he wanted to know how large were the divisions between the East and West

Valleys and how deep were the feelings to get something for the West if the East got something. Mayor Schoaf stated that during STAN deliberations last year, they were told that legislation did not cover interest and projects already funded and they needed to be regional players. Mayor Schoaf stated that the I-10 widening acceleration was an agreement to agree, not a legal obligation. He stated that the response was to go to the Legislature and fix the language. Mayor Schoaf stated that they, especially Mayor Lopez Rogers, spent significant time on this with Representative Nelson and business people. Mayor Schoaf reported that they tried for new money, but this was the best they could get from the Legislature. He said that legislation was passed for both east and west valleys. There was definitely intent that this \$10 million was to go toward the I-10 acceleration. Mayor Schoaf stated that regional support has been great. He advised that the Management Committee vote to support the \$10 million for reimbursement was nineteen to six and included the Scottsdale and Phoenix city managers. At TPC, the vote was twelve to four, with business members aligned to allocate the \$10 million to this project. Mayor Schoaf stated that I-10 is a serious problem. He stated that the planned widening of I-10 in Buckeye cannot be done without first widening this segment, or it will create more bottlenecks and put more people at risk. He urged Regional Council members to think regionally. Mayor Schoaf commented that this is a small amount of money. He said that this is a very important vote in how MAG is viewed.

Mayor Shafer stated that she felt this widening was important to the entire valley. She commented how freight comes in from California along this road and the Loop 303 opens to I-10 in this area. Mayor Shafer stated that she felt it was time the West Valley got something.

Councilmember Dickey stated that she was inclined to appropriate the \$10 million allocation to the cities at this time.

Mayor Waterman stated that cities along I-10 will consider Loop 303 as their reliever and cities along Loop 303 consider I-10 their reliever. Mayor Waterman stated that this is needed badly and has to be done. He added that it would be of great benefit to all cities.

Mr. Arnett rejoined the meeting by telephone.

Mayor Badowski stated that the cities who stepped in first should be reimbursed first. This is a regional issue. He stated that he drives this segment and it needs to be fixed. Mayor Badowski stated his support for the motion.

Mayor Winkler stated that he understood the problems of smaller municipalities. He stated that he was torn on the issue, but would support the motion based on the fact that the project needs to be finished as soon as possible. Mayor Winkler stated that the \$10 million is not what is important; what is important is how to handle the process in the future and have a process that is acceptable to all.

Mayor Barrett stated that this is not an east/west issue, it is a regional issue. He said that \$10 million was set aside by the Legislature for this purpose, the expenditure has no impact on other projects, people are dying, so let's pay for it.

Mayor Hawker stated that he would like a vote on the motion as it was presented and did not want to cloud the issue with a substitute motion. He said that he would ask for the floor for a motion if this was

defeated. He stated that he thought MAG needed to protect the integrity of interstates and he hoped there is consideration to prevent development from having detrimental effects. Mayor Hawker stated that he believed that everyone understood that when the cities committed to accelerating this project that they would be paying the interest, in accordance with the current adopted acceleration policy. Mayor Hawker stated that if policy is not going to be upheld, he knew of several communities who would like to have special legislation written so they could be reimbursed. If the date on the legislation was changed to 2005 from 2007, his city could request reimbursement for the \$18 million it spent on an acceleration. Mayor Hawker stated that he felt a door was going to be opened. He stated that the complication is that this is not new money. Mayor Hawker stated that he heard comments that the cities had no legal obligation. He said he believed that the cities knew they were agreeing to accelerate the design and construction. Mayor Hawker stated his agreement with Mayor Scruggs' comments at TPC that the cities were facing enormous pressure from press and the citizens. He said that Buckeye stepped out of the process to wait for the Legislature to act. Mayor Hawker stated that the three cities stepped up and said they would contribute; if they had not, MAG would not have put the project in the TIP and done air quality conformity on a promise that money was committed. Mayor Hawker stated that doing special legislation to reimburse one city for acceleration interest expense and not another is a slippery slope and he would not support the motion.

Mayor Manross stated that she would remain consistent with comments she expressed at Executive Committee and TPC. She encouraged compromise efforts and said that she believed intentions were good. However, when STAN II legislation was first proposed, she knew it was bad legislation because it was too special interest and earmarked. Mayor Manross stated that she suggested a compromise that would help the West Valley cities, and at the same time would not be in opposition to past processes and commitments not to be parochial. She said that the value of I-10 is understood, but the process is in jeopardy. There is a likelihood of more earmarks and splintering of relationships; that is the unintended consequence.

Councilmember Neely stated that she wanted to hold to her comments made at Executive Committee. She said that she would speak of the MAG process for the past forty-plus years. Councilmember Neely stated that Representative Nelson has been a champion for the entire region and he needed to be thanked for his efforts. She stated that the legislation says that MAG will determine a policy to allocate the funds. Councilmember Neely said she has heard tonight that MAG needs to give three cities money as if money had not already been offered. Some say their citizens will pay twice. She stated that MAG needs to stay on policy. She said that in Proposition 400 everyone came together, and she expressed concern that pet projects could pit one against the other. Councilmember Neely stated that I-17 desperately needs widening and improvements. If everyone hires their own lobbyist to go to the Legislature and Phoenix gets I-17 and pulls it ahead in the program, other projects could be pushed back. Councilmember Neely stated she thought it was dangerous to be parochial. Councilmember Neely stated that she thought that when the three cities came together, they were prepared to pay the interest costs of the acceleration, so this \$10 million is a bonus. Councilmember Neely stated that she agreed that I-10 needed to be widened. She expressed her belief that Chair Cavanaugh really believes in integrity and process. She said she knew the cities tried to find a compromise, but she was concerned that the Regional Council is now faced with leaving the adopted MAG process. When municipalities have skin in the game they are more apt to follow the process and not have people putting projects over the top. Councilmember Neely stated that in Proposition 400 MAG developed good things and a fight on this

issue only hurts the Plan. Councilmember Neely expressed her belief that the whole system needs to be defended regionwide and she would call for a weighted vote if this motion passed.

Mayor Lopez Rogers stated that this is a desperate move by cities who do not have support for their arguments and is a blatant abuse of power. She asked how any large city could dictate the policy of a federal highway, which is the most dangerous corridor in the nation. Mayor Lopez Rogers stated that this is not a compromise, this is being forced on the three cities and is a penalty. She stated that if this body cannot follow legislative intent, then the duty falls to the State Transportation Board. Mayor Lopez Rogers stated that she has been consistent in her position. Anything less shifts the costs to three small cities instead of the federal government. She stated that the three cities went through the STAN I process. They were told to fix the oversight, which they did. Mayor Lopez Rogers said that the \$10 million subaccount was established in STAN II, which was signed by the Governor. She stated that MAG provided a process for accepting projects and Avondale, Goodyear and Litchfield Park applied. Mayor Lopez Rogers noted that the Management Committee and Transportation Policy Committee passed the full \$10 million. She noted the \$9.2 million purchase of the transit facility, which benefits not only Mesa, but everyone in the region. Mayor Lopez Rogers stated that the \$10 million was provided by the Legislature and will not impact the future of the Proposition 400 program. She said that the safety of family and business is most important to everyone. If this project waits until 2014, that will mean an additional 1,440 accidents and 80 deaths. Mayor Lopez Rogers noted that Phoenix has a proposition on the ballot for additional public safety personnel, and this is no different.

Mayor Dunn stated his agreement that I-10 needs to be widened, even through his community of Chandler, where traffic going south to Tucson is alarming. He said that anything that could be done to widen I-10 in the region will benefit the county and the state. Mayor Dunn stated that this discussion is not to end a commitment to widen I-10, it is about how the interest is divided. He said that he came on the Regional Council on the eve of Proposition 400. Mayor Dunn stated that many have emphasized the importance of policy and process. Mayor Dunn stated that MAG adopted and reaffirmed the acceleration policy. He said that MAG has consistently used the policy and now some want to leave it behind. Mayor Dunn stated that discussion of policy change is needed. He said he believed many will rush to the Legislature to get what they can. He said he did not want to be put in that position of going outside of MAG. Mayor Dunn expressed his belief that it is important to remain consistent with policy in addressing issues.

Mayor Scruggs stated that she would address two issues - process and fairness. She stated that Mr. Smith, MAG's Executive Director, is the guide to the rules and process at MAG. Mayor Scruggs stated that she has been on the Regional Council for 14 years and she knew he would not have allowed this item to be on MAG agendas if the criteria had not been met. Mayor Scruggs stated that the full \$10 million reimbursement has been recommended for approval by the Management Committee and TPC. As to the issue of fairness, the three cities responded to tremendous pressure from the citizens and the press. She remarked that Arizona Republic reporter Joel Nilsson wrote a few articles per week urging that something be done about the accident rate. Mayor Scruggs stated that the cities responded to that. She said they have explained on several occasions they did so with the understanding that they would receive reimbursement from STAN I. She remarked that any city in the future who uses this as an excuse for personal gain for their jurisdiction should be ashamed. Mayor Scruggs referenced Mayor Hawker's comments moving the date back to 2005. She said that she could complain about the \$8

million from Glendale's general fund that went for sound walls along Loop 101 that would now be funded fully through Proposition 400. She said she could also complain about the delay of Loop 303, but that is the past and this is now. Mayor Scruggs commented that these cities took on the burden in the public interest. Mayor Scruggs stated that this project is not to open up a new area for an economic windfall. These cities offered to accelerate a project to save lives, to improve mobility through the entire region, the state, and the nation, to aid commerce, and to enhance Arizona's business economy. Mayor Scruggs stated that partial reimbursement is correct technically, but it is not fair. She said if a weighted vote is taken tonight it will be only the second time in her 14 years it has been requested. Mayor Scruggs stated that after the first time, the feelings were not good for a long time. She added that many are disappointed that, despite all of the thought and discussions, all will be cast aside and defeated by a weighted vote. Mayor Scruggs stated that this is a unique situation, one not expected to be seen again, and it will not set a precedent. Mayor Scruggs stated that she will support full funding of the interest reimbursement.

Councilmember Esser stated that he agreed with all of the comments, particularly Mayor Hawker's comments on precedent setting. Councilmember Esser stated that Cave Creek is near I-17, which looks like a parking lot. He stated that he worked at ADOT for 33 years, so he knew highways, funding increases, and the difficulty of building anything in this day and age. Councilmember Esser expressed his concern that he hoped this issue would not tear apart the Regional Council. He stated that it seemed to be coming to an issue of the small cities versus the big cities. Councilmember Esser remarked that he would not be able to support the motion.

Mayor Bryant stated that while going through the STAN process last year, the Regional Council knew it had to come up with regional projects the Legislature would appreciate. If not done properly, the feeling was that STAN money would not be seen again. Mayor Bryant stated that he would like to see the Regional Council come together on this and work this out as a team. He remarked that he did not want to see a split. Mayor Bryant stated that I-10 is a parking lot with a lot of accidents, and if this will expedite improvements, he would vote in support of the motion.

Mayor Gamez expressed that comments by Mayor Schoaf, Mayor Lopez Rogers and Mayor Scruggs were right on target. He said that this needs to be addressed today, and he would vote for the motion.

Mayor LeVault stated his support for the motion. He said that he is a new mayor and a new Arizona resident, which he felt gives him a unique perspective. Mayor LeVault stated that the Regional Council members represent their own jurisdiction and all have wishes and parochial desires. However, there are overarching issues that transcend parochial desires and I-10 is one of those issues. Mayor LeVault stated that Arizona is a gateway state – everything to and from California will pass through on I-10. Mayor LeVault stated that the widening seems to benefit the three cities, but in a broader sense, this is a pathway that will benefit all of the commerce in the state. He stated that not agreeing on how to regionally move traffic in the area is unfortunate, but the most bothersome aspect is the dithering over a small amount of money. Mayor LeVault stated that the project start has already been delayed one month. It is not fair that three cities will bear an inordinate share of the cost. Mayor LeVault expressed his support for the motion.

Vice President Harvier expressed his thanks to the Council for allowing the Native American communities to have a voice. He apologized that the Salt River Pima-Maricopa Indian Community has not been able to participate at Regional Council because their Tribal Council meets Wednesday evenings. Vice President Harvier said he did not think this issue should divide the Regional Council and it is unfortunate that it seems that way. He indicated he understood the concerns of the three cities his community has the same concerns for Loop 101/Pima Freeway. Vice President Harvier stated that it is a fairly new freeway, but it is already having problems. He expressed his community's concern whether it will be given a fair chance at funding for improvements or will someone else go around them to get the funding. Vice President Harvier expressed that they have been fighting for a long time to get what they have and they are tired of fighting. He said he wants things to be fair. Vice President Harvier stated that everyone on the Regional Council supports saving lives – and he was familiar with the problems on the I-10 segment because he drives it – but if policy is in place and it is not being followed, then he could not support the motion.

Mr. Arnett stated that he would not support the motion. He expressed that he could not disagree with the need for I-10 being widened, but this is a pure and simple earmark. Mr. Arnett stated that he disagreed with earmarking and for that reason he would vote against the motion.

Mayor Sanders stated that he would vote against the motion for the same reasons already stated by other members. He indicated he was agreeable to reviewing policy, but to go against what is in place, Queen Creek would have to vote against that.

Councilmember Barker stated that it appears to be a process versus a plan. She said she would be happy to hear the compromises and find some relief for this project, but at this time, she would vote against the entire \$10 million.

Mayor Hallman stated that the overriding issue is that MAG has a process from which a project can be selected. There is a second process, the acceleration process adopted in 2000, to allow accelerations with a 60/40 interest sharing. Mayor Hallman stated that his city deals with the Broadway Curve and they have wanted improvements for years, but the project keeps falling farther back and will probably not begin until 2012. Mayor Hallman stated that the city could step forward and provide dollars for acceleration, but he thinks the project selection process should be honored and accelerations should be the rare exception. Mayor Hallman stated that the I-10 widening project was accelerated based on the agreement that cities would bear the burden of the interest costs. He said that what causes him to vote against the motion is that the funds were already in the ADOT budget and it was only afterward that the \$10 million was designated for interest reimbursement. Mayor Hallman stated that this impacts the entire state. Mayor Hallman commented that the \$10 million was earmarked for a specific interest reimbursement. He stated that if it were truly a case of a state program, such as the \$10 million for the Roads of Regional Significance loan to the East Valley, then this \$10 million would have been earmarked off the top of the \$62 million, not from the \$31.2 million that comes to MAG. If the motion were to pass, he would say there is a need to look to the State Transportation Board to argue that the \$10 million should come off the \$62 million, and MAG's 60 percent comes from the \$42 million, which leaves MAG with \$25.2 million. This would result in being short only \$6 million, and this may be an option. Mayor Hallman expressed his appreciation for the comments by Vice President Harvier and said he was glad Vice President Harvier was present tonight. Mayor Hallman stated that MAG ought to

abide by the original process for reimbursement. He said that because the interest cost was 100 percent paid by the cities was the only reason the project was accelerated in the first place. Mayor Hallman stated that he thought a 60/40 model was a rational compromise and asked the maker of the motion and second to consider regionalism and withdraw the motion and second, and seek a substitute motion to provide a 60/40 split that offers \$6 million to the cities for reimbursement.

Chair Cavanaugh expressed his support for the \$10 million in the motion. He complimented the Regional Council for expressing their heartfelt concerns. He said that the eloquent comments reflect well on this deliberative thought process. Chair Cavanaugh asked Mr. Smith to explain the weighted voting process. Mr. Smith stated that according to the MAG By-laws, every jurisdiction receives one vote. Any member may request a weighted vote, after which the original vote has no effect. The issue is then re-voted. In order for a weighted vote to pass, it must pass two tests. It must first pass by the majority of members in attendance. It must also pass by members representing a majority of population.

A roll call vote was taken on the motion, which passed by a vote of 14 yes and 10 no, with Mayor Lopez Rogers, Mayor Bryant, Mayor Waterman, Councilmember Dickey, Mayor Scruggs, Chair Cavanaugh, Mayor Schoaf, Mayor Winkler, Mayor Barrett, Mayor Shafer, Mayor Gamez, Mayor Badowski, Mayor LeVault, and Supervisor Stapley voting yes, and Councilmember Barker, Councilmember Esser, Mayor Dunn, Mayor Hawker, Councilmember Neely, Mayor Sanders, Vice President Harvier, Mayor Manross, Mayor Hallman, and Mr. Arnett voting no.

Councilmember Neely requested a weighted vote. A roll call vote was taken. The motion failed because it did not meet the majority of population. Those voting in the affirmative represented 30 percent of the population and those voting in the negative represented 70 percent of the population.

Mr. Ryan rose and spoke from the audience in protest of the vote. Chair Cavanaugh asked Mr. Ryan to please be seated and allow the Regional Council to continue its deliberations. Mr. Ryan said he would not. Chair Cavanaugh again requested Mr. Ryan to please be seated. Mr. Ryan raised his hand and called a point of order.

Chair Cavanaugh asked Mayor Hawker to make the motion he had requested he be allowed to give if the first motion failed.

Mayor Hawker moved to approve the I-10 widening project for reimbursement of interest expenses according to the shared interest reimbursement of 60 percent regional share and 40 percent local share, not to exceed \$10 million, to forward the recommendation to the State Transportation Board and for the MAG Executive Director to enter into an agreement with ADOT and the participating cities. Mayor Hallman seconded.

Mayor Hawker explained his motion. He referred to the chart on the yellow sheet that showed the original agreement that the cities' share was \$9.66 million. He said that under his motion, the cities' share would be \$5.669 million. Mayor Hawker commented that this is a deviation from the typical interest participation agreements. He stated that the motion reduces the total, but skin is still in the game and still supports the I-10 widening.

Chair Cavanaugh asked Mayor Hawker for clarification that his motion would allocate \$4 million to the three cities. Mayor Hawker replied that was correct. Mayor Dunn noted that this follows the existing MAG Acceleration Policy.

Mr. Smith stated that the case could be made that policy has been modified by legislation. Mr. Smith advised that the choice he had while discussing this with the Chair was to either present this item to the MAG committees, or to discuss policy for a couple of weeks or a month, then solicit projects and go through the project selection process. He commented that in good conscience, with 30 accidents per month on this section, and with the good work done by this group, he felt he could put his faith in the Regional Council to come up with a solution. Mr. Smith stated that he was at MAG when it was said Proposition 300 could not be done - and MAG did it. He was here when it was said that Proposition 400 could not be done, and MAG did it. He was here when it was said that the TPC could not be formed, but with Mayor Scruggs' input, MAG did it. Mr. Smith stated he believed that the Regional Council could do something here tonight to deal with the accidents on I-10.

Mayor Scruggs commented that the Regional Council is discussing municipal budgets, which may or may not have the funds to move forward, because the budgeting was based on the model that 100 percent of the interest would be reimbursed. She said that if she believed that this would stop anyone from going to the Legislature she would vote in favor. Mayor Scruggs commented that she was not sure the cities have the money, and that is why this is not just a policy decision. She said that since she was unsure if they could move forward, she would have to take the lead from her colleagues. Mayor Scruggs stated that they have to figure out how to come up with the money, which is not what they signed up for. She asked how she could say it is a good plan for them.

Mayor Badowski stated that with all due respect to Phoenix, Scottsdale, and Tempe, the discussion is about \$6 million, an amount they lose to rounding in their budgets. He stated that penalizing small communities is not the right thing to do. Mayor Badowski stated that this issue needed to be resolved tonight and he expected one of the large cities to withdraw its vote to get on with it. He stated that the amount was not a huge impact to any of them. Mayor Badowski stated that policy is not law and can be changed.

Chair Cavanaugh stated that he was not part of the group who sought money from the state. When the Legislature, our representatives, said \$10 million should go to those cities under some specific criteria, he had one objection. He felt that something should be paid by the cities because they said they would handle the interest costs. He commented that he felt a moral obligation. Chair Cavanaugh stated that he never walked away from a compromise, but this motion felt like a slap in the face to the wishes of the Legislature, the Management Committee, and the TPC, and that bothered him a lot. He said that he can compromise but this motion is unfair and is below the fairness standard. He said that a solution was needed that was representative of all elements of MAG. Chair Cavanaugh stated that this money was directed by our state leaders. He indicated that he had no problem with not receiving the entire \$10 million, but only 40 percent is not what the state wanted. Chair Cavanaugh stated that it is inappropriate and sends a terrible message.

Mayor Winkler asked the effect any of the compromises would have on the ability of each of the three municipalities to complete the project.

Mayor Schoaf stated that at the joint meeting, where the resolution was passed, their vice mayor, who is an attorney, asked the city attorney if this was an obligation. He said that the city attorney advised that there was no obligation on the city's part to fund this. Mayor Schoaf commented that it was a difficult task to get the council to agree to fund just the design amount. He noted that paying 40 percent would mean that two percent of the city's general budget for six or seven years would be allocated to widening I-10.

Mayor Lopez Rogers said that her city assumed, and was told, it would be made whole by legislation, so they decided to move forward. She advised that nothing was signed. Mayor Lopez Rogers remarked that having to go back to her council and say that big cities block improvements on the deadliest stretch of highway is a terrible headline.

Chair Cavanaugh stated that even though he thought \$4 million was unfair, he would recommend to his council that they move forward. Chair Cavanaugh stated that they have a responsibility and will live up to it. He recalled that while in the military, when he had to present a flag on behalf of a grateful nation to a survivor, he was thankful he did not have to do it because he had failed to take action. Chair Cavanaugh declared that I-10 would be widened, notwithstanding the cost to his city. He requested that the Regional Council, in view of the Legislature's intent, give more to the cities than \$4 million.

Mayor Hallman stated that it has been suggested that the "large" cities, including Tempe, have done this and he was puzzled by this comment. He said that it was also stated that the cities were promised they would be made whole, but by whom? Mayor Hallman stated that this is not a big city/small city issue. He noted that Tempe is now smaller than many cities. Mayor Hallman stated that Tempe cannot afford to seek accelerations. He commented that he was concerned by the suggestion that Tempe was responsible. Mayor Hallman stated that the Broadway Curve is one of the more dangerous and congested freeway segments, but Tempe cannot afford an acceleration. He indicated that the responsibility falls on the State Legislature, ADOT, and the federal government. Mayor Hallman proposed that the money being allocated in the state program should come from above the line, not below the line. He suggested that in the interest of harmony, that Mayor Hawker, as maker of the motion, raise the amount to \$6 million, which means the program would bear 60 percent of the cost and local agencies bear 40 percent.

Mayor Hawker said that he thought that for a project to be in the TIP, there had to be a financial commitment. Now he is hearing that the three cities did not have a commitment to accelerate the construction, just the design. Mayor Hawker asked when does MAG believe that a city is committing funding? He also asked if putting the project in the TIP was subject to legislation or a congressional appropriation to make it happen. Mr. Smith replied that it was MAG's policy that a project has to have a financial obligation or it is not put in the TIP. Mayor Hawker asked if the three cities misunderstood that. Mr. Smith stated that what he was hearing tonight was that legislators said they would take care of the cities. The cities took them up on this promise. Mr. Smith stated that they thought they would get reimbursement through STAN I, but when that did not happen, they went to legislators for STAN II to clarify the law regarding interest being reimbursed. He noted that the law now says interest reimbursement is legal. Mr. Smith advised that when the project acceleration was put in the TIP, MAG assumed the money was committed.

Mayor Hawker stated that, based on previous discussions on a compromise with Chair Cavanaugh, he was surprised that the reimbursement percentage was coming down from what he thought was a realistic compromise. He said that if other compromising is to be done, he would like to request a recess.

Chair Cavanaugh acknowledged that there was a miscommunication on the \$6 million, where Mayor Hawker thought it was the regional reimbursement amount and he thought it was the local reimbursement amount.

Mayor Shafer asked what happens to the program funds. Mayor Hawker replied that they would go toward other projects.

Mayor Hallman announced that he needed to leave the meeting. He expressed his hope that a compromise could be reached.

Mayor LeVault stated that if this motion passed, what would happen if one of the city councils decides not to pay its share of the interest. Mr. Smith replied that if one of the cities falls out of the agreement, perhaps the project might not go forward unless another city picked up the commitment. Chair Cavanaugh noted that if two cities fall out, the project would not qualify to receive the STAN II funds.

The Regional Council reconvened after a ten-minute break.

Mayor Hawker stated that he would withdraw his motion. He referenced the second group of numbers on the blue sheet. Mayor Hawker stated that in the spirit of cooperative compromise and to get something done, he would move approval of reimbursement for the I-10 widening acceleration with \$4 million for the program and \$6 million for the local agencies, contingent upon cities going back to their councils confirming the dollar magnitude reflected on the table. Mayor Dunn seconded.

Mayor Hawker stated that there was some confusion as to whether the original commitment was done by city councils and whether it was enforceable. He noted that the repayment is spread over seven to eight years.

Mr. Smith advised that if the Regional Council passed this motion, then it would need to go back to the three city councils and would not be forwarded to ADOT until the councils affirmed they could do it. He added that if not, the issue would come back before the Regional Council.

Chair Cavanaugh noted that Goodyear's council would meet on Monday.

Councilmember Neely asked Mayor Hawker to clarify that his motion meant that \$6 million would go to the three cities and \$4 million would go to the program. Mayor Hawker replied that was correct. Councilmember Neely noted that, according to the motion, over a period of seven years, \$2.1 million would be paid by Goodyear, \$1.4 million would be paid by Avondale, and \$110,000 would be paid by Litchfield Park. Mayor Hawker replied that was correct.

Mayor Schoaf stated that he would take the issue to his city council. He thanked Councilmember Neely for pointing out that Litchfield Park's portion would be \$110,000. Mayor Schoaf expressed that it is very disappointing to find that policy is an important thing, to a point. Using a weighted vote to not

violate policy ensures that the West Valley who worked to get this money and solve the I-10 problem will be penalized with a “compromise.”

Chair Cavanaugh stated that he hoped the Regional Council could support this motion and move on.

Mayor Dunn stated that it was he who indicated the importance of policy. He said he approached this in the spirit of compromise, to stay true to his concerns, and to be as fair as possible. Mayor Dunn stated that he could live with this compromise and remain true to the comments he made previously.

Mayor Winkler stated that elected officials are faced with decisions as to what is right and what is legal. Sometimes they coincide and that makes decision-making easy. Sometimes they conflict and that makes decision-making difficult. Mayor Winkler stated that he would support the 60/40 motion because he felt it was a fair compromise. He advised that the Regional Council needs to think about what is right for three small communities who stepped up and were assured they would be made whole. Mayor Winkler commented that he thought the 60/40 was a good option.

A roll call vote was taken. The motion failed by a tie vote of 11 yes and 11 no, with Councilmember Barker, Councilmember Esser, Mayor Dunn, Chair Cavanaugh, Mayor Hawker, Mayor Winkler, Councilmember Neely, Mayor Sanders, Vice President Harvier, Mayor Manross, and Supervisor Stapley voting yes, and Mayor Lopez Rogers, Mayor Bryant, Mayor Waterman, Councilmember Dickey, Mayor Scruggs, Mayor Schoaf, Mayor Barrett, Mayor Shafer, Mayor Gamez, Mayor Badowski, and Mayor LeVault voting no.

Chair Cavanaugh stated that the Regional Council could make another motion or could delay action. He asked those who voted no what they were looking for.

Mayor Lopez Rogers stated that they wanted \$10 million and that was all there was to it. She said they were not going to compromise. Mayor Lopez Rogers stated that they went through the process, only to have big cities come back and say no, even though the money was given to the I-10 project.

Councilmember Dickey stated that part of her vote has to do with legislative intent to take care of something. She indicated that she was not so much concerned about precedent-setting. Councilmember Dickey stated her agreement with Mayor Scruggs that this will not spur on anything. She remarked that she felt it was an isolated incident, it should be taken care of, and then the Regional Council could address policy.

Mayor Shafer stated that Phoenix uses the weighted vote when it wants something for itself. She noted that this is a situation that needs to be corrected.

Mayor Manross expressed that the TPC experienced a difficult process during Proposition 400. She expressed that she was proud they were successful. Mayor Manross stated that the TPC confronted many issues that required the same sort of compromise as this. She advised that the City of Scottsdale compromised quite a bit, but the thought was it was for the greater good of the Valley. Mayor Manross stated that she did not want individual cities going to the Legislature and earmarking. She expressed that she believed this would be deleterious effect on MAG, the TPC, and the entire process. Mayor Manross stated that everything requires some compromise and 60/40 is a fair compromise. She said that she

wanted the message sent that the process can be improved to deal with future STAN allocations, but the integrity of this organization needs to be protected. Mayor Manross appealed to members to vote yes on this compromise in order to move ahead with this project and at the same time, protect the process.

Mayor Scruggs stated that she thought the issue was done for this evening. She commented that if two cities fall out there is no acceleration. Mayor Scruggs asked how she could vote to spend Avondale's or Litchfield Park's money? She said that she needed to follow their lead. Mayor Scruggs stated that she could not sit as Mayor of Glendale and change what her council directed her to do and she could not change her vote on this unless the cities do.

Chair Cavanaugh clarified that the motion would not obligate any city until it went to the city councils and they agreed. He said that he did not know what the other two councils might recommend, but he was fairly confident his council would want to proceed. Chair Cavanaugh stated that Avondale and Litchfield Park should go back and ask. He stated that if the Regional Council stayed in a quandary and delayed reaching an agreement, there is one loser - the citizen who has to drive this road. Chair Cavanaugh expressed that he did not want to delay this project.

Mayor Dunn commented that this was an excellent point. He said that he thought by taking this back to the councils and having discussion, there is no obligation on their part. Mayor Dunn stated that at this point it allows policy discussion with councils and it could come back to MAG if necessary.

Mayor Lopez Rogers stated that the first vote showed regional support and then the weighted vote was thrown in. She said she thought this body wants to go forward to the State Transportation Board with a recommendation for the \$10 million, because ultimately, it is the Board's decision. Mr. Smith noted that he could only sign what would be in agreement with Regional Council direction. If a recommendation from the Board differs from the Regional Council recommendation, it would need to come back to the Regional Council to authorize him to sign the agreement.

Fredda Bisman, MAG General Counsel, presented options available to the Regional Council. She said that the Council could make a new motion or it could reconsider a motion. Ms. Bisman explained that the only way to go forward on a motion already voted on would require a motion to reconsider by someone who voted on the prevailing side and then a second by any member. Ms. Bisman stated that if the motion prevailed, then a vote would be taken on the reconsidered motion itself.

Councilmember Neely stated that Phoenix had conversations with Avondale, Goodyear, and Litchfield Park regarding compromises. She said that Mayor Lopez Rogers has adamantly said no compromise. Councilmember Neely stated that she would like to see a compromise and she took exception to Mayor Scruggs' comments. She said that when the three cities advanced the project there was no talk of STAN or reimbursement. Councilmember Neely asked when did it change that there was no commitment? She noted that she had many newspaper articles stating that the three cities made a commitment publicly to pay the interest. Councilmember Neely said that she was fine with the Legislature saying it would help out the three cities. What is her concern is the typical policy of acceleration reimbursement. Councilmember Neely stated that they have compromised and put in an additional 20 percent. She stated that Phoenix is seen as the big, bad person, but was there ever an intent to advance this project or was it all smoke and mirrors?

Mayor Scruggs stated that at the time the offer was made to accelerate the project, she understood STAN I was in the works.

Mayor Schoaf stated that he could speak with only partial personal knowledge because he was Mayor-elect at the time. Mayor Schoaf stated that as a lawyer, he saw the resolution and spoke to their city attorney and asked why this resolution was being passed because it included no obligation. He reported that the city attorney said it was an agreement to agree with no obligation. Mayor Schoaf said that the resolution then came to MAG, who accepted it as a commitment. Now the public believes the widening project is funded, but it is not. Mayor Schoaf stated that his council has not voted to commit to an obligation to pay anything on the construction aspect of I-10.

Chair Cavanaugh stated that he was involved in the acceleration from the beginning. He said that Goodyear expected to proceed with or without state or federal funding. Chair Cavanaugh stated that it would be great to get help, but they will proceed with or without it.

Mayor Barrett commented that the Regional Council should not be a slave to policy while people are dying on the highways. He moved to reimburse the local share with 80 percent and the program share with 20 percent. Mayor Shafer seconded. She called for the question to end the debate. Mayor Waterman seconded.

The roll call vote on the motion to end debate on the motion failed by a vote of 10 yes and 13 no, with Councilmember Barker, Mayor Lopez Rogers, Chair Cavanaugh, Mayor Schoaf, Mayor Winkler, Mayor Barrett, Mayor Shafer, Mayor Gamez, Mayor Badowski, and Mr. Arnett voting yes, and Mayor Bryant, Councilmember Esser, Mayor Dunn, Mayor Waterman, Councilmember Dickey, Mayor Scruggs, Mayor Hawker, Councilmember Neely, Mayor Sanders, Vice President Harvier, Mayor Manross, Mayor LeVault, and Supervisor Stapley voting no.

Chair Cavanaugh stated that the motion was open for debate.

Councilmember Dickey asked if any amount that was not \$10 million would result in delay. Chair Cavanaugh replied that was correct, because the issue would need to go back to the city councils. Councilmember Dickey asked the timeframe if the Regional Council reconsidered the \$10 million. Mr. Smith explained that if the Regional Council approved the allocation of the \$10 million, a recommendation would be sent to ADOT the following day, and cities would not need to go to their councils. Councilmember Dickey stated that she was trying to figure out how to move this forward as fast as possible. She commented that if the issue has to go back to the city councils, that could result in serious delays.

Mayor Barrett stated that he put forward the 80/20 reimbursement to make the cost more palatable to the three cities. He said that Mayor Lopez Rogers has indicated she will not waver from a 100 percent reimbursement. Mayor Barrett expressed that he was trying to find a compromise. He commented that his rationale was that 80 percent reimbursement is easier for the cities to accept than 40 percent.

Councilmember Esser asked Mr. Anderson the impact of a 14-day delay. Mr. Anderson replied that the completion of the project could be delayed, but that could be made up during construction. He explained

that the next Transportation Board meeting was September 21st and the Regional Council would need to take action by mid-September to make the Board agenda. If that milestone is missed, then it would have to wait until the October Board meeting. Mr. Anderson indicated that the timeline depends on how soon the city councils could act. Mr. Smith noted that the next regularly scheduled Regional Council meeting was September 26th.

Mayor Waterman stated that it seemed the main issue was inciting people to go to the Legislature. He said he felt it was either zero or the full \$10 million, because you cannot say you oppose it when you are willing to give something.

Mayor Manross said that she believed the message would be sent that the Regional Council is not comfortable with this process and is trying to adhere to MAG policy.

Chair Cavanaugh called for a roll call vote on Mayor Barrett's motion. The motion failed by a vote of seven yes and 15 no, with Chair Cavanaugh, Mayor Winkler, Mayor Barrett, Mayor Shafer, Mayor Gamez, Mayor Badowski, and Mr. Arnett voting yes, and Mayor Lopez Rogers, Mayor Bryant, Councilmember Esser, Mayor Dunn, Mayor Waterman, Councilmember Dickey, Mayor Scruggs, Mayor Schoaf, Mayor Hawker, Councilmember Neely, Mayor Sanders, Vice President Harvier, Mayor Manross, Mayor LeVault, and Supervisor Stapley voting no.

Chair Cavanaugh asked if anyone wanted to reconsider the 60/40 vote. Ms. Bisman reviewed the guidelines for reconsideration of a vote. Chair Cavanaugh announced a five minute break.

The Regional Council reconvened. It was noted that Mayor Sanders was present telephonically, and Councilmember Barker and Mr. Arnett had departed the meeting.

Ms. Bisman stated that if anyone wished to reconsider a past vote, it would require a motion to reconsider by someone who voted on the prevailing side and then a second by any member. Ms. Bisman stated that if the motion prevailed, a vote would be taken on the reconsidered motion itself.

Mayor Badowski commented that as much as it hurt him, this needed to be finalized tonight. He moved to reconsider the 60 percent local share /40 percent regional share motion. Mayor Winkler seconded.

Mayor Hallman rejoined the meeting by telephone.

A roll call vote was taken on the motion to reconsider. The motion passed by a vote of 12 yes and 8 no, with Councilmember Esser, Mayor Dunn, Chair Cavanaugh, Mayor Hawker, Mayor Winkler, Councilmember Neely, Mayor Sanders, Vice President Harvier, Mayor Manross, Mayor Hallman, Mayor Badowski, and Supervisor Stapley voting yes, and Mayor Lopez Rogers, Mayor Bryant, Mayor Waterman, Councilmember Dickey, Mayor Scruggs, Mayor Schoaf, Mayor Gamez, and Mayor LeVault voting no.

Mayor Hawker moved to approve the I-10 widening project for reimbursement of interest expenses according to the shared interest reimbursement of 60 percent local share and 40 percent regional share, not to exceed \$10 million and forward the recommendation to the State Transportation Board and for the MAG Executive Director to enter into an agreement with ADOT and the participating cities,

contingent upon cities going back to their councils confirming the dollar magnitude reflected on the blue table. Mayor Dunn seconded.

Chair Cavanaugh asked if there was further discussion of the motion. None was noted. A roll call vote was taken on the motion, which passed by a vote of 11 yes and 9 no, with Councilmember Esser, Mayor Dunn, Chair Cavanaugh, Mayor Hawker, Mayor Winkler, Councilmember Neely, Mayor Sanders, Vice President Harvier, Mayor Manross, Mayor Hallman, and Supervisor Stapley voting yes, and Mayor Lopez Rogers, Mayor Bryant, Mayor Waterman, Councilmember Dickey, Mayor Scruggs, Mayor Schoaf, Mayor Gamez, Mayor Badowski, and Mayor LeVault voting no.

Chair Cavanaugh noted that the Regional Council had approved a 60 percent reimbursement to the cities and the communities were charged with going to their councils. He said that they would report back to the Executive Director. Chair Cavanaugh noted that the briefing on agenda item #7 was not needed because the TPC member had been ratified under agenda item #5H. He noted that agenda item #8 had already been removed from the agenda and would be heard at a future meeting. Chair Cavanaugh expressed his appreciation to the Regional Council for their deliberations.

7. Geographic Representative for the Transportation Policy Committee

No presentation was provided on this item. No questions from the Council were noted.

At the July Regional Council meeting, the appointment of the representative for the geographically balanced seat on the Transportation Policy Committee (TPC) was discussed. The composition of the TPC was established by the Regional Council on April 24, 2002. As part of the TPC, three are selected from areas that need to be represented to achieve geographic balance, with the members selected from and by the under represented geographic area and ratified by the Regional Council. Interstate 17 is used as a boundary in determining geographic balance. With a recent resignation from the TPC from a member who was selected to achieve geographic balance, the question was raised if the agency held the seat or the member representing the agency held the seat. The MAG General Counsel was requested to provide guidance on this issue. This item was on the agenda for information and discussion.

8. The Interstate 10-Hassayampa Valley Transportation Framework Study

This agenda item was not considered.

Since May 2006, MAG has had the Interstate 10-Hassayampa Valley Transportation Framework Study underway for establishing a mobility framework for a significant portion of Maricopa County west of the White Tank Mountains. A briefing will be provided about the results and potential recommendations that have been generated on the project. The present schedule for the project anticipates bringing the Hassayampa Valley project for MAG acceptance in September 2007.

9. Comments from the Council

An opportunity will be provided for Regional Council members to present a brief summary of current events. The Regional Council is not allowed to propose, discuss, deliberate or take action at the meeting

on any matter in the summary, unless the specific matter is properly noticed for legal action. No comments from the Council were noted.

There being no further business, the Regional Council meeting adjourned at 8:45 p.m.

Secretary

Chair